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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/18/2011

On 10/05/2011, STEVENSON DUNN JR. ("DUNN"), date of birth 07/05/1961, ssn 088-58-9138, 538 Hart Street, Brooklyn, NY, agreed to be interviewed by Special Agents Joseph Della Penna, U.S. Department of Labor, Office of Labor Racketeering and Fraud Investigations ("DOL/OLRFI"), and Naushaun Richards, Federal Bureau of Investigation ("FBI"), at the office of the FBI, 26 Federal Plaza, New York, NY. DUNN was arrested during the evening of 10/05/2011 in the vicinity of Junior's restaurant ("Junior's"), 386 Flatbush Avenue Ext, Brooklyn, NY 11201. After being read his Miranda Rights as stated on Form FD-395, Interrogation; Advice of Rights, DUNN agreed to waive his rights of counsel to be present during this interview. DUNN was arrested on federal RICO, Extortion, Wire Fraud and Money Laundering charges out of the EDNY for the case against him involving corruption surrounding the NEW YORK CITY DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT ("HPD").

From 1983 through 1996, DUNN worked for the NYC BOARD OF EDUCATION ("BOE") as a Budget Analyst. In 1979, he graduated from Brooklyn Tech High School, where he attended with three (3) current HPD employees: (1) WENDELL WALTERS ("WALTERS"), current Assistant Commissioner (class of 1980); (2) ANNE MARIE HENDRICKSON ("HENDRICKSON"); and (3) WAYNE MACKEY ("MACKEY").

DUNN admitted to threatening and using an angry tone while on the telephone with ANTHONY ARMSTRONG, brother of GEORGE ARMSTRONG ("ARMSTRONG"). DUNN also told ANTHONY ARMSTRONG that DUNN has connections with people from the Marcy projects in Brooklyn, NY, as a means of intimidation. DUNN stated that he got "hot" because ARMSTRONG gave DUNN a bounced check in the amount of \$50,000. According to DUNN, ANTHONY ARMSTRONG was shook-up by DUNN's telephone conversation. DUNN stated that Citibank provided him with \$50,000 when he cashed ARMSTRONG's check even though the check bounced. DUNN began moving monies around between his other business bank accounts in order to cover the \$50,000 bounced check from ARMSTRONG.

A few months ago, ARMSTRONG was supposed to give DUNN \$47,000 during their meeting at Junior's, however, DUNN was surprised when ARMSTRONG only paid him \$7,000 in cash.

DUNN stated that it was his intentions to sell ARMSTRONG after-market goods from Lowe's and Home Depot, such as light fixtures,

Investigation on 10/05/2011 at New York, NY

File # 2

Date dictated \_\_\_\_\_

by SA Joseph Della Penna, JSDOL  
SA Naushaun Richards, FBI

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appliances, etc., in connection with the HPD related development project named HANCOCK. DUNN admitted that, at times, he accepted more monies than he was entitled to from ARMSTRONG, and created fake invoices to support these kickback payments on the HANCOCK project. During this time period of the kickback payments, DUNN along with partners LEE HYMOWITZ, Esq. ("HYMOWITZ"), and MICHAEL FREEMAN, Esq. ("FREEMAN") were the HANCOCK developers, and ARMSTRONG was a contractor/developer under his company named METROPOLIS DEVELOPMENT CORPORATION ("MDC"). DUNN, HYMOWITZ, and FREEMAN operated SML DEVELOPMENT ("SML"), which was the entity they used to develop the HANCOCK project.

DUNN stated that he has "no love" for WALTERS. DUNN once paid \$10,000 in cash to WALTERS even though WALTERS had requested a \$75,000 payoff from DUNN for the HANCOCK project. DUNN explained to WALTERS that he cannot satisfy a \$75,000 payoff to WALTERS, because DUNN had to put monies into DUNN's company. DUNN placed the \$10,000 in cash inside a wine container and handed it to WALTERS. DUNN cashed a check in order to generate the \$10,000 cash payoff to WALTERS. WALTERS instructed DUNN to select ARMSTRONG as the general contractor on the HANCOCK project. DUNN lied to ARMSTRONG when he told him that he videotaped WALTERS receiving the \$10,000 cash payoff from DUNN in order to "blow smoke up his ass." DUNN stated that he paid WALTERS \$10,000 to avoid WALTERS throwing him off the HANCOCK project, because ARMSTRONG was messing up as its general contractor.

In 1996, DUNN first met HYMOWITZ and FREEMAN through DUNN's Attorney RUTH FURMAN ("FURMAN"), and SCOTT MARANOFF ("MARANOFF"), during which point DUNN had purchased apartments in the Bedford-Stuyvesant section of Brooklyn, NY. Since DUNN needed financing for the purchase of the Bedford-Stuyvesant apartments, FURMAN referred DUNN to HYMOWITZ and FREEMAN, who eventually funded DUNN via a loan for the financing of said apartments. DUNN then went to the HPD when he purchased these apartments. DUNN became good friends with HYMOWITZ, and they began to get involved with NEIGHBORHOOD ENTREPRENEURS PROGRAM ("NEP") projects - DUNN would handle the construction, and HYMOWITZ would handle the real estate issues. It was HYMOWITZ's idea for DUNN and HYMOWITZ to form an LLC and split the ownership. Originally, both DUNN and HYMOWITZ did not want FREEMAN as a partner within the LLC, but FREEMAN knew the relevant politicians in the housing area.

Regarding SML's development project named LEXINGTON AVENUE CLUSTER ("LEXINGTON"), BOGDAN STARZECKI ("STARZECKI") of MCR RESTORATION CORPORATION ("MCR") was selected as SML's general

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contractor. DUNN approached STARZECKI and asked him to hire DUNN as his subcontractor on 626 and 628 Myrtle Avenue, both of which buildings were included within LEXINGTON, to which STARZECKI agreed. Next, DUNN hired subcontractors to perform construction for STARZECKI at 626 and 628 Myrtle Avenue, from which DUNN earned approximately \$15,000-\$20,000 for this endeavor. Shortly thereafter, WALTERS told DUNN that contractors (STARZECKI) are supposed to be making payoffs to the developer equal to approximately 3-4 percent of the total contract amount. WALTERS was "pissed" at DUNN because, by this point, DUNN had yet to ask STARZECKI for a kickback.

DUNN stated that after LEXINGTON, SML selected STARZECKI/MCR as its general contractor for an HPD Neighborhood project (name unknown), at which point DUNN, HYMOWITZ, and FREEMAN all knew that they could ask STARZECKI for a kickback on the HPD Neighborhood project. DUNN explained that SML also selected STARZECKI again as its general contractor because STARZECKI is a good contractor. STARZECKI agreed to make kickback payments to DUNN, HYMOWITZ, and FREEMAN on the HPD Neighborhood project. WALTERS also told DUNN to talk to STARZECKI about kickbacks on this project, and to not mess it up this time. STARZECKI paid DUNN \$75,000 in kickback payments, which was disguised by fake invoices issued from DUNN's company 334 MARCUS GARVEY CORP ("334 MGC") to MCR. STARZECKI also made kickback payments to HYMOWITZ and FREEMAN by providing them with two (2) checks in the amounts of \$100,000, and approximately \$50,000, both of which checks were likely deposited into HYMOWITZ and FREEMAN's Escrow account. It was DUNN, HYMOWITZ, and FREEMAN who had collectively negotiated a \$300,000 kickback payment from STARZECKI in connection with this project. STARZECKI has yet to pay the remaining kickback balance of approximately \$75,000 to DUNN, HYMOWITZ, and FREEMAN. DUNN said that he had to put approximately \$20,000 of the \$75,000 kickback payment from STARZECKI into the actual security budget of the HPD Neighborhood project.

DUNN believes that the ENTERPRISE FOUNDATION has a bunch of "crooks" working for them because they never gave DUNN relocation checks. The ENTERPRISE FOUNDATION was a marketing partner on one of DUNN's projects. ROLANA WATSON is an employee of ENTERPRISE FOUNDATION.